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Clerk to the Council
West Horsley Parish Council
99 The Street
West Horsley
Leatherhead, Surrey
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4th November 2026

Dear Cllrs,

Re: West Horsley Parish Council
Internal Audit Report for Financial Year Ended 31 March 2027 – Interim Audit Report

Executive summary
Following completion of our interim internal audit on 4th November 2026, we are pleased to enclose our report for your review and presentation to the council. The audit was conducted in accordance with current professional standards and guidelines, employing a risk-based approach to our testing. While not all transactions were examined, our sample testing, where appropriate, covered the financial year to date.

The structure of this report aligns with the assertions set out in the Annual Internal Audit Report section of the Annual Governance and Accountability Return (AGAR). Each section begins with a summary of the assertion being assessed, followed by details of the testing undertaken, which was guided by the audit plan. A copy of the audit plan is available within our Internal Audit Guide and follows the requirements of the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide.

The report concludes with our opinion on whether each assertion has been met as at the date of the interim audit. Where the standard has not been met, we have set out the required action for the council to take to meet the requirements by the year-end internal audit. **Any recommendations for action are highlighted in bold and summarised in the action plan below.**

Our testing did not identify any material weaknesses in internal controls that would pose a risk to public funds. Overall, the systems and procedures currently in place are appropriate and effective. Where this report includes recommendations for improvement, these should not be viewed as indicators of any errors.

Conclusions by objective
Our conclusion on each internal control objective in the Annual Internal Audit Report is set out below. These conclusions are as at the date of the interim visit and will be updated at the final audit.

Objective	Area	Conclusion	Recommendations
–	Governance and follow-up (Introduction)	Met, with recommendations	IN1, IN2
A	Books of account	Met	None
B	Financial regulations, governance and payments	Met, with recommendations	B1
C	Risk management and insurance	Met, with recommendations	C1, C2
D	Budget, precept and reserves	Met	None
E	Income	Met	None
F	Cash	Not applicable	None
G	Payroll	Met, with recommendations	G1
H	Assets and investments	Met	None
I	Bank and cash	Met	None
J	Year-end accounts	Met (year-end testing at the final visit)	None
K	Limited assurance review	Not applicable	None
L	Publication of information	Met	None
M	Exercise of public rights	Met	None
N	Publication of the prior year AGAR	Met	None
O	Digital and data compliance	Met	None
P	Trusteeship	Met	None

Action plan

We have made six recommendations. The council should record its response to each and report progress to a meeting.

Implications for the Annual Governance Statement

The council answers the assertions in Section 1 of the AGAR. Those answers are the council's judgement, not the auditor's. This table shows where matters in this report bear on each one.

Assertion	Subject	Reported under	Matters bearing on the council's answer
1	Financial management and preparation of the accounting statements	A, D, J	Accounting records are well maintained in Rialtas. A report of expenditure against budget goes to every meeting; the Clerk adds a narrative on variances on occasion.
2	Internal control, including prevention of fraud, and review of its effectiveness	B, C, E, F, G, H, I	The Finance Committee approved a table of internal checks for 2025/26 on 12 January 2026 (minute 26/F/006). Payments are checked by two councillors and authorised by two signatories; reconciliations are signed by councillors in rotation. Annual pay letters to state hours and pay (G1).
3	Compliance with laws, regulations and proper practices	Introduction (Governance), B, K, L	Yes, council follows regulations, lists powers against each payment and complies with publication requirements.
4	Exercise of electors' rights	M	The period for 2025/26 was correctly provided for.
5	Assessment and management of risk, including insurance	C	Risk assessment approved on 21 October 2025 (minute 25/188), due for review in November 2026. Insured with Zurich Municipal to 20 September 2027; cyber cover not yet considered (C2).
6	System of internal audit	Introduction (Appointment, Independence)	Internal auditor reappointed for three years on 17 March 2026 (minute 26/055(d)); independence confirmed on 20 October 2026 (minute 26/196(c)).
7	Action on matters raised by internal and external audit	Introduction (Minutes and follow-up), N	None. No matters were raised by the external auditor for 2025/26, and the 2025/26 internal audit made no year-end recommendations.
8	Litigation, liabilities, commitments and events with a financial impact	Introduction (Minutes and follow-up), J	None identified at the interim visit. The village hall windows project (minute 26/198) should be considered at the year end.
9	Trust funds	P	The council is custodian trustee of West Horsley Village Hall (charity 305137), which is managed by its own trustees. The Akerman Bequest is held as a ring-fenced earmarked reserve.
10	IT and data management	O	ICO registration Z3489646 to 9 April 2027. Accessibility to be retested on the new website.

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INTRODUCTION

Appointment

On 17 March 2026 the council agreed to engage Mulberry (LAS) Ltd as internal auditor for a further three years (minute 26/055(d)). On 20 October 2026 the council noted the engagement letter for 2026/27 to 2028/29, which the minute describes as from "Mulberry and Co" and agreed by full council on 11 March 2026 (minute 26/196(b)). The decision was taken at the meeting of 17 March 2026; 11 March 2026 is the date of that meeting's agenda. Mulberry & Co is our former name; minutes and correspondence should refer to Mulberry Local Authority Services Ltd.

Independence

The Practitioners' Guide (paragraph 4.11) requires the council to review the independence of its internal auditor each year, having regard to personal, financial and professional independence. The council considered and confirmed the independence of the internal auditor on these three grounds on 20 October 2026 (minute 26/196(c)).

The auditor has no involvement in the work of the council. Neither the firm nor the auditor has any personal or financial interest in the council's affairs.

The council paid Mulberry Local Authority Services Ltd £122.30 on 21 May 2026 for the 2025/26 year-end internal audit. We identified no other payment to Mulberry Local Authority Services Ltd or Mulberry & Co in the cashbook for 2026/27. The Clerk attended a Mulberry Finance and Governance Conference and Networking Day (minute 26/165 of 15 September 2026), and the Finance Committee has encouraged members to complete Mulberry finance training (minute 26/F/032 of 26 October 2026). The conference trainers have no involvement in the audit work.

Conduct of the audit

The audit was carried out on site with the Clerk, Julia McClung, who is also the council's Responsible Financial Officer (RFO). The Clerk had prepared a folder of the records requested in advance of the visit, which was neat and well organised.

Further evidence was obtained through discussion with the Clerk and by review of the council's website.

Minutes and follow-up

We reviewed the published minutes of full council meetings held between 16 December 2025 and 20 October 2026: 16 December 2025, 20 January, 17 February, 17 March, 21 April, 19 May (annual meeting), 16 June, 21 July, 15 September, 12 October (extraordinary) and 20 October 2026; the Finance Committee on 12 January, 13 April, 13 July and 26 October 2026; and the Personnel Committee on 12 May 2026. Every published copy is headed draft and is unsigned, including minutes that later meetings record as approved and signed. The following matters are reported under the relevant objective below:

- minute 26/196(b) of 20 October 2026 names "Mulberry and Co" and dates the council's decision 11 March 2026; the decision was taken on 17 March 2026 (minute 26/055(d)) and named Mulberry (LAS) Ltd;
- the agendas for 20 January and 17 February 2026 are dated 14 January 2026 and 11 February 2026 at the top but signed by the Clerk "14 January 2025";
- Cllr King declared an interest in the £9,000 payment to West Horsley Village Hall and the village hall windows project (minute 26/188(a) of 20 October 2026); both are recorded as approved by Members without recording whether she withdrew. The Charity Commission register lists Cllr King as Chair of the trustees of West Horsley Village Hall (charity 305137);

- the minutes of 21 July 2026 record a vote of seven for and two against at minute 26/141 with ten councillors present; Cllr Dodgson declared an interest in that item and the minutes do not record whether he withdrew;
- Appendix 9 to the meeting of 17 March 2026 (internal auditor engagement) is marked confidential with no resolution to exclude the press and public; item 26/F/015 of the Finance Committee on 13 April 2026 is likewise marked confidential with no such resolution;
- minute 26/104 of 19 May 2026 is lettered (c) and (d) with no (a) or (b), and Appendix 15 is used for two different items (26/104 and 26/109);
- the Finance Committee page links the agenda for 26 October 2026 to the Personnel Committee agenda for 27 October 2026; we found no published agenda for the Finance Committee meeting.

The 2025/26 internal audit report is our own (Mulberry Local Authority Services Ltd, 23 April 2026). It recorded the two interim points (data audit; table of internal controls) as completed and made no recommendation at the year end. Council approved it on 19 May 2026 (minute 26/098(a)). The external auditor's report for 2025/26 (PKF Littlejohn LLP, 18 July 2026) raised no other matters and was received and approved on 15 September 2026 (minute 26/168(a)).

The council has acted on all matters raised by internal and external audit and can answer "Yes" to assertion 7 of the Annual Governance Statement.

Governance

Cllr Anna Mitchell was co-opted on 15 September 2026 and signed a declaration of acceptance of office at the meeting (minute 26/160). The Chairman signed a declaration of acceptance of office on 19 May 2026 (minute 26/085(b)). The councillors page lists eleven councillors, matching those recorded in the minutes.

We confirmed on site that signed declarations of acceptance of office are held.

The council meets monthly except August and has Finance, Planning and Personnel Committees. Each full council agenda ends with "Any Other Village Matters to Note", and the Finance Committee agendas with "Any Other Matters to Note". No decision was taken under these items. Minutes are sequentially numbered.

Meeting dates, agendas, minutes and supporting documents for 2026 are published on the full council page. Earlier years sit behind a year selector.

Each councillor has consented to receive the summons in electronic form (Local Government Act 1972, Schedule 12, paragraph 10(2A)), and the council holds a record of each consent.

Recommendations:

IN1 – In future record the internal auditor as Mulberry Local Authority Services Ltd.

IN2 – In future record in the minutes whether a member who has declared an interest withdrew or took no part in the vote.

A. BOOKS OF ACCOUNT

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective A. See "Sources and references" at the end of this report.

Internal audit requirement

Appropriate accounting records have been kept properly throughout the year.

Audit findings

Evidence examined: Rialtas accounting system; cashbook and nominal ledger to 30 September 2026; payment and receipt vouchers; bank statements; 2025/26 year-end bank reconciliation; VAT reclaims.

Accounting system and access

The council continues to use the Rialtas accounting package, a system designed for town and parish councils. The financial reporting package is updated regularly and consistently and is used to produce management information for councillors, supporting effective financial decision making.

There is one user, the Clerk. Passwords are not routinely prompted to change. Rialtas is not cloud-hosted; files are saved to local drives and to OneDrive, and the council uses Microsoft 365.

Each month the Clerk performs a month-end close down. Reports are printed and filed in hard and soft copy, including income and expenditure against budget and bank reconciliations. The reports are standard template-based reports, easy to read and logically presented. The system requires key data fields to be completed before a transaction can be recorded, and a review of the cashbook shows that all data fields are being entered.

Records are kept in lever arch files divided by labelled tabs, a simple method entirely suitable for a council of this size. Overall, I have the impression that the accounting systems are well ordered and routinely maintained.

Cashbook and audit trail

We selected a sample of six supplier invoices, covering small and large items, direct debits, BACS payments and wages. Each was located with ease and was signed or annotated, and the VAT agreed to the ledger.

Supplier invoices are filed by payment month behind a cover sheet listing the payments, which is verified by two councillors on a rotating basis. The power to spend is recorded next to each payment.

We tested receipts of precept, VAT refund and tennis court hire income and located the underlying documentation for each.

We agreed the opening balances at 1 April 2026 in the cashbook to the 2025/26 year-end bank reconciliation, which shows total balances of £87,330.14 (including the Lloyds current account of £1,984.11), and to the 2025/26 AGAR.

I sampled the nominal ledger entries for the period 1 April to the audit date to ensure items were posted to the correct heading. Expenditure was correctly posted to the headings to which the line item related and there are no instances of netting off of income and expenditure. This has confirmed that the accounting package is being properly used.

VAT returns

The council is not VAT registered and reclaims VAT under section 33 using form VAT126. The claim to 31 March 2026 of £4,754.89 was received on 22 April 2026 and reported to council on 19 May 2026 (minute 26/096). The claim of £1,690.36 for 1 April to 30 September 2026 was received on 5 October 2026 (minute 26/195(e) of 20 October 2026). The council is up to date with its VAT submissions.

CONCLUSION: We are satisfied this internal control objective has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective B. See "Sources and references" at the end of this report.

Internal audit requirement

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Audit findings

Evidence examined: standing orders and financial regulations; minutes; payments lists and supporting invoices; bank authorisation records; payments over £500 and procurement lists.

Standing orders and financial regulations

The standing orders and financial regulations were reviewed and approved at the annual meeting on 19 May 2026 (minute 26/100).

The standing orders were approved again with one amendment on 20 October 2026 (minute 26/197(a)). The standing orders state that they are based on version two of NALC's Model Standing Orders 2018, updated in April 2022, with NALC updates of March 2025. Standing order 3(c) retains alternative bracketed wording.

The financial regulations record adoption on 15 October 2024, update on 15 April 2025 and review on 19 May 2026. Section 18 retains the model heading "[Charities]", although the council does not administer a charity.

Regulation 5.15 permits the Clerk to authorise items below £500, and below £1,000 with the Chair; a committee may authorise items under £1,500 within its delegated budget; items over £1,500 go to council. Regulation 5.8 requires at least three fixed-price quotes above £3,000, and regulation 5.9 that the Clerk "shall try to obtain three estimates" between £500 and £3,000. The emergency limit is £2,000 at regulations 5.18 and 6.9(ii).

We discussed these limits with the Clerk. They are suitable for this council, and in practice the council approves most expenditure regardless of the thresholds.

Procurement and approval of expenditure

The published list of procurements over £5,000 (marked updated 31 October 2026) contains no contract let in 2026/27; the latest is the garden maintenance contract with Timberwood Tree Care Ltd from 16 September 2025 (£5,104 a year, three quotes received). No contract of £30,000 or more was minuted. The payments over £500 to 30 September 2026 total £41,415.07. The largest item other than salaries is £2,557.20 (£2,131.00 net) to AJ Wells & Sons in June 2026 for the Sheepleas viewpoint enamel panel.

Using the Rialtas audit function, we sampled payments over £500 to confirm that the financial regulations had been followed. No errors were found. Invoices are annotated, where appropriate, with the minute reference of the decision.

Payment decisions are recorded with the amount approved, by reference to an appendix to the minutes.

Grants and donations approved: community grants of £500 (West Horsley Place Trust), £1,000 (First Horsley Scout Group), £100 (WI) and £250 (Horsleys' CAN) on 21 April 2026 (minute 26/077); £9,000 to West Horsley Village Hall "as per the 2026/27 budget" and donations of £2,000 to five charities on 20 October 2026 (minute

26/195(f) and (g)). On 21 July 2026 council approved a £2,000 grant application for a vehicle-activated sign and agreed to fund the balance, not to exceed £2,000 (minute 26/146).

Authorisation of payments
A list of payments is presented to each full council meeting and recorded as received and approved; the previous month's payments are noted. The August 2026 payments were approved retrospectively on 15 September 2026 after the recess (minute 26/167(a)).

The payments list is circulated with the supporting documents before the meeting, and two councillors check it to the invoices. Once the list is approved, the Clerk sets up the payments in online banking and emails the signatories, listing the payments in the body of the email. Two councillors must log on to authorise them. The Clerk keeps a record of the councillors who verified and authorised each list at the front of the payments folder. This accords with financial regulations 6.10 and 7.4 to 7.7.

Financial regulation 6.1 names Lloyds Bank and Skipton Building Society. The council holds one credit card in its own name, settled in full by direct debit. Card payments are authorised in the usual way, and the card is used mainly for ad hoc online purchases of stationery and similar items.

VAT on expenditure
VAT is correctly analysed. The system is integrated, so the same information is used for the VAT126 reclaim.

General power of competence and section 137
The council has not adopted the general power of competence. The Clerk passed the CiLCA qualification (minute 26/137 of 21 July 2026), but fewer than two-thirds of the councillors were elected, so the council is not eligible. The power relied on is listed next to each payment on the payments list.

Expenditure under section 137 is within the limit.

Member oversight
There is evidence of member oversight and review of the payments lists, bank reconciliations and invoices.

Recommendation:
B1 – Remove the bracketed model text from section 18 of the financial regulations and standing order 3(c).

CONCLUSION: We are satisfied this internal control objective has been met, subject to the recommendation above.

C. RISK MANAGEMENT AND INSURANCE

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective C. See "Sources and references" at the end of this report.

Internal audit requirement

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings
Evidence examined: financial risk assessment and policy statement; insurance schedule; training statement; minutes.

Risk assessment
The council last approved its Financial Risk Assessment and Policy Statement for Risk Assessment on 21 October 2025 (minute 25/188(a) and (b)). The published risk assessment is marked "Next Review October 2026". On 26 October 2026 the Finance Committee referred both documents to full council in November 2026 (minute 26/F/030).

The assessment, in tabular format, gives a probability and impact score for each risk and records the mitigation measures and the officer responsible. The approach is suitable for a council of this size. It does not cover cyber security or IT, or trees. The policies page links the Financial Risk Assessment and the Policy Statement to the same file.

Training and continuity
The Clerk passed the CiLCA qualification (minute 26/137 of 21 July 2026) and the Deputy Clerk completed the SLCC ILCA qualification (minute 26/165 of 15 September 2026). The 2026/27 budget includes £1,300 for councillors' training. The Staff and Councillor Training Statement was approved on 20 January 2026 (minute 26/010(f)); it does not require a training record and sets no period within which new councillors should train.

The Chair thanked councillors for attending Local Government Reorganisation training (minute 26/025 of 17 February 2026). The Personnel Committee agenda for 27 October 2026 includes mandatory basic and refresher training for committee members (item 26/P/012).

The Clerk actively encourages councillors to attend training.

Play areas, open spaces and other physical assets
The council has no responsibility for play areas.

The risk assessment records the playground as managed by a separate committee, and the Village Hall pays for its insurance.

Review of the effectiveness of internal control
The Finance Committee approved a table of internal checks for the 2025/26 Annual Governance Statement on 12 January 2026 (minute 26/F/006). The council will repeat this process for 2026/27.

Insurance
The council is insured with Zurich Municipal until 20 September 2027; the renewal premium of £850.24 was paid on 21 September 2026. The policy provides public and employer's liability cover of £10,000,000 and fidelity guarantee cover of £250,000, which is sufficient against peak balances (£180,644.65 at 30 September 2026). Insurance values are linked to the fixed asset register, which is considered at renewal, and Zurich is notified of assets added during the year.

The council has not yet considered cyber insurance. It intends to discuss it at a future meeting, with advice from its IT provider, Cloudy IT. Minute 25/192 of 21 October 2025 records Microsoft 365 Business Premium licences, which offer additional cyber threat protection.

Recommendations:
C1 – Add cyber security and IT, and trees, to the risk assessment when it is reviewed in November 2026.
C2 – Consider cyber insurance, taking advice from Cloudy IT.

CONCLUSION: We are satisfied this internal control objective has been met, subject to the recommendations above.

D. BUDGET, PRECEPT AND RESERVES

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective D. See "Sources and references" at the end of this report.

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Audit findings

Evidence examined: 2026/27 budget; precept form; detailed receipts and payments against budget to 30 September 2026; nominal ledger; reserves schedule; minutes of 16 December 2025 and 2026.

Budget monitoring

A report of expenditure against budget is presented to each full council meeting, recorded as received and approved, and to each Finance Committee meeting. The report to 30 September 2026 shows receipts of £143,591 against a budget of £123,552, including £16,541 of S106 receipts and £4,755 of VAT refunds that were not budgeted, and payments of £50,368 (40.8% of the annual budget) at the half year. Unbudgeted spending of £2,131 on Millennium Point, £1,065 on Awards for Service and £307 for Horsley Heritage Group was funded by transfers from earmarked reserves. The reports are produced directly from Rialtas, and on occasion the Clerk adds a narrative to explain variances. The Finance Committee noted the planning budget as mostly unspent on 26 October 2026 (minute 26/F/029(b)).

The timetable for the 2027/28 budget was approved on 21 July 2026 (minute 26/151(b)); the Finance Committee reviewed an early draft on 26 October 2026, with a draft to council in November and approval in December (minute 26/F/031). The council is planning a balanced budget.

Budget and precept

The council approved the 2026/27 budget and, by separate resolution, agreed a precept of £119,507 at its meeting on 16 December 2025 (minute 25/236(a) and (c)). This is an increase of 10.54% on the 2025/26 precept of £108,112 shown in the budget paper. The precept form gives a tax base of 1,696.87 and Band D of £70.43. The budget totals £123,552 of income and of expenditure.

Reserves

The nominal ledger shows the general reserve brought forward at £31,678.99, agreeing to the 2025/26 internal audit report. The Reserves Policy was approved on 20 January 2026 (minute 26/010(c)).

At 30 September 2026 the council held reserves of £180,553: general reserve £116,403.08, the ring-fenced Akerman Bequest £11,720.00 and other earmarked reserves £52,430. It holds no S106, CIL or capital reserves.

We discussed the reserves with the Clerk. The earmarked reserves are bona fide and the movements were noted; small balances will be transferred out.

CONCLUSION: We are satisfied this internal control objective has been met.

E. INCOME

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective E. See "Sources and references" at the end of this report.

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Audit findings

Evidence examined: receipts; detailed receipts and payments against budget to 30 September 2026; bank statements.

Income streams

Apart from the precept, the council received S106 contributions (£16,540.81 for tennis court improvements received on 6 July 2026, bank interest, rentals and VAT refunds.

To 30 September 2026 the council received the full precept of £119,507, bank interest of £1,643, tennis court hire of £470, Youth Council income of £476 and £165 for West Horsley in Bloom.

A £5 an hour hirer fee for non-residents at the tennis court was agreed on trial on 20 January 2026 (minute 26/013(b)). Fees and charges approved for 2027/28 will be discussed at budget setting.

Testing by income stream

We tested receipts of precept, VAT refund and tennis court hire income to the underlying documentation without exception.

The council has no burial ground. Allotments are run by a third-party firm under contract, for which the council pays a management fee.

VAT on income

There is no evidence that the council should be VAT registered.

Debtors and banking

There were no debtors at the date of the audit. Rent from the Cricket Club (budget £225) is due in March 2027.

CONCLUSION: We are satisfied this internal control objective has been met.

F. CASH

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective F. See "Sources and references" at the end of this report.

Internal audit requirement

Cash payments were properly supported by receipts; all cash expenditure was approved and VAT appropriately accounted for.

Audit findings

Petty cash and floats

The council has no petty cash float. Cash received is minimal, around £20 to £30 a year; it is counted with two people present and banked intact. No cash was received in the last year.

CONCLUSION: The council has no petty cash and received no cash in the period, and the testing for this internal control objective is not applicable.

G. PAYROLL

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective G. See "Sources and references" at the end of this report.

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

Evidence examined: contracts of employment; payroll records; HMRC account; bank statements; minutes.

Staffing and contracts

The council employs a Clerk & RFO and a Deputy Clerk. Payroll payments are made to Surrey Community Action. E ach of the two employees has a signed contract of employment based on the NALC template. Staff are enrolled in the NEST pension scheme.

The Personnel Committee held staff appraisals on 5 May 2026 and agreed recommendations for council (minute 26/P/007), which council agreed in closed session on 19 May 2026 (minute 26/109).

The annual pay letter to each employee should state the hours worked and the resulting pay, as well as the scale point.

Payroll processing

Payroll is processed by a third party using a bespoke payroll package. Tax and National Insurance deductions were correctly calculated, and net pay agreed to the bank statement. The HMRC account shows the council is up to date, with no amounts outstanding. Gross pay agreed to the salary scale point and the hours worked.

Members' allowances

A mileage allowance for members and staff was considered on 21 July 2026 (minute 26/144). No allowances are paid to councillors. The Clerk is aware that any allowance would need to be paid through payroll and assessed for tax and National Insurance.

Recommendation: G1 – Issue an annual pay letter to each employee stating the scale point, hours and pay.

CONCLUSION: We are satisfied this internal control objective has been met, subject to the recommendation above.

H. ASSETS AND INVESTMENTS

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective H. See "Sources and references" at the end of this report.

Internal audit requirement

Asset and investments registers were complete and accurate and properly maintained.

Audit findings

Evidence examined: fixed asset register at 30 September 2026; nominal ledger; investment and banking policy; minutes.

Asset register

The council maintains its fixed asset register in Excel. It records the date, description, location, notes, cost or proxy cost, physical verification and insurance value of each asset, and includes a reconciliation from the prior year to the current year. It is suitable for a council of this size.

The fixed asset register, updated to 30 September 2026, totals £905,734.19, stated as the balance at 20 September 2026.

The one addition in 2026/27 is the display panel at Millennium Viewpoint at £3,586.00, described as designed by Squiggle, manufactured by AJ Wells and installed by Gavin Barnes.

No disposals are recorded.

Investments

The Investment and Banking Policy was approved on 18 November 2025 (minute 25/214(a)). It cites section 12 of the Local Government Act 2003 but is not framed as an investment strategy. The 2025/26 internal audit report treats the Skipton Building Society account (£68,286.79 at 31 March 2026) as a bank account.

The council has no long-term investments.

Borrowing

The council has no PWLB or other borrowing.

CONCLUSION: We are satisfied this internal control objective has been met.

I. BANK AND CASH

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective I. See "Sources and references" at the end of this report.

Internal audit requirement

Periodic bank account reconciliations were properly carried out during the year.

Audit findings

Evidence examined: bank statements and reconciliations at 30 September 2026; financial regulations; minutes; nominal ledger.

Bank accounts and mandate

The 2025/26 internal audit report lists five accounts. The Finance Committee asked Cllr Moodie to become a Skipton signatory on 12 January 2026 (minute 26/F/005(d)).

Reconciliations

A bank reconciliation is presented to each full council and Finance Committee meeting and recorded as received and approved.

We reviewed the reconciliations at 30 September 2026 and agreed the balances to the bank statements, with no errors or differences. Each reconciliation and the face of each statement are signed by a councillor. Councillors sign in rotation, and this is minuted.

Deposit protection and investment of balances

Protection under the Financial Services Compensation Scheme is limited to £120,000 per authorised institution.

At 30 September 2026 the council held £180,644.65: Lloyds current account £7,957.40, Lloyds deposit account £91,166.65, Lloyds Bequest account £11,720.00 and Skipton Building Society £69,800.60; petty cash nil.

Balances with Lloyds total £110,844.05, within the £120,000 limit. The Finance Committee agreed on 26 October 2026 to transfer £20,000 from Lloyds to Skipton (minute 26/F/029(a)).

CONCLUSION: We are satisfied this internal control objective has been met.

J. YEAR END ACCOUNTS

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective J. See "Sources and references" at the end of this report.

Internal audit requirement

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

Evidence examined: receipts and payments reports; bank reconciliations.

Accounting basis

The council's gross income and expenditure are below £200,000. The accounts are kept on a receipts and payments basis, used throughout the year and at the year end.

Year-end accounting statements

The council's year-end accounting statements will be tested at the final visit. That testing will cover the AGAR Section 2 figures, the reconciliation of Box 7 to Box 8, and year-end cut-off.

CONCLUSION: We are satisfied this internal control objective has been met. Year-end testing will be completed at the final visit.

K. LIMITED ASSURANCE REVIEW

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective K. See "Sources and references" at the end of this report.

Internal audit requirement

If the authority certified itself exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

Exemption from limited assurance review

The council did not certify itself exempt for 2025/26: PKF Littlejohn LLP issued a limited assurance opinion in Section 3, dated 18 July 2026. The council's gross income and expenditure both exceed £25,000.

CONCLUSION: The council did not certify itself exempt from a limited assurance review in the previous year and the testing for this internal control objective is not applicable.

L. PUBLICATION OF INFORMATION

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective L. See "Sources and references" at the end of this report.

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation.

Audit findings

Evidence examined: council website; agendas and minutes; transparency page; registers of interests.

Which regime applies

Budgeted income and expenditure for 2026/27 are £123,552. Neither transparency code is mandatory for an authority of this size. The transparency page records that the council adopted the Local Government Transparency Code 2015 in 2021. It publishes payments over £500, procurements over £5,000, the fixed asset register, grants awarded, the staff structure and the pay multiple.

Meetings, agendas and minutes

We tested the agendas for the ten full council meetings held between 20 January and 20 October 2026, the meeting of 16 December 2025 and the Finance and Personnel Committee meetings. Each gave four or more clear days' notice.

Website review

We reviewed the council website against the publication requirements of the relevant legislation:

Requirement	Source	Finding
Notices and agendas of meetings	Public Bodies (Admission to Meetings) Act 1960, as amended	Agendas published for all ten full council meetings in 2026
Minutes of meetings	Proper practice and publication scheme	Draft minutes published for all full council meetings to 20 October 2026 and for committee meetings; published copies are unsigned.
Officer decision records	Openness of Local Government Bodies Regulations 2014	No officer decision records found on the website. None taken in year under review.
Registers of members' interests	Localism Act 2011, section 29	Published for all eleven councillors (councillors page), including Cllr Mitchell (October 2026). Six are dated 2023.
AGAR 2025/26 Sections 1 and 2, notice of public rights	Accounts and Audit Regulations 2015, regulation 15	Notice dated Thursday 21 May 2026 and AGAR 2025/26 published before 1 July 2026.
AGAR 2025/26 external auditor report and notice of conclusion	Accounts and Audit Regulations 2015, regulation 16	Section 3 (PKF Littlejohn LLP, 18 July 2026) and notice of conclusion published before 30 September 2026.
AGARs for the previous five years	Accounts and Audit Regulations 2015	2021/22 to 2025/26 published on the finance page with the internal audit reports; 2018/19 to 2020/21 also listed.

Requirement	Source	Finding
Publication scheme	Freedom of Information Act 2000, section 19	FOI policy and ICO model publication scheme reviewed and approved 21 July 2026.

CONCLUSION: We are satisfied this internal control objective has been met.

M. EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective M. See "Sources and references" at the end of this report.

Internal audit requirement

The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Evidence examined: notice of public rights for 2025/26; minutes of 19 May 2026.

Period for the exercise of public rights

Inspection – key dates	2025/26 Actual
Date AGAR signed by council	19 May 2026 (minute 26/098(b))
Date inspection notice issued	Thursday 21 May 2026
Inspection period begins	Wednesday 3 June 2026
Inspection period ends	Tuesday 14 July 2026
Correct length (30 working days)	Yes – 30 working days counted (20 in June, 10 in July)
Common period included (first 10 working days of July)	Yes – 1 to 14 July 2026

The notice is dated after the AGAR was approved, and the dates were recorded at minute 26/098(c) of 19 May 2026. The weekdays printed on the notice are correct. The external auditor named is PKF Littlejohn LLP. Applications are to the Clerk and RFO at clerk@westhorsley-pc.gov.uk.

We are satisfied the requirements of this control objective were met for 2025/26, and assertion 4 on the Annual Governance Statement should therefore be answered yes by the council.

CONCLUSION: We are satisfied this internal control objective has been met.

N. PUBLICATION REQUIREMENTS

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective N. See "Sources and references" at the end of this report.

Internal audit requirement

The authority complied with the publication requirements for the prior year AGAR.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2026 authorities must publish:

• Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited
• Section 1 - Annual Governance Statement 2025/26, approved and signed, page 4
• Section 2 - Accounting Statements 2025/26, approved and signed, page 5

Not later than 30 September 2026 authorities must publish:
• Notice of conclusion of audit
• Section 3 - External Auditor Report and Certificate
• Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.
It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings
Evidence examined: 2025/26 AGAR, notice of public rights, Section 3 and notice of conclusion of audit on the council website.

Publication of the 2025/26 AGAR
The notice of public rights (dated 21 May 2026) and the 2025/26 AGAR are published in the "Audit 2025-26" folder, and were published before 1 July 2026.

Section 3 (PKF Littlejohn LLP, signed 18 July 2026, other matters "None") and the notice of conclusion of audit are published. Council received and approved both on 15 September 2026 (minute 26/168(a) and (b)). Both were published before 30 September 2026.

CONCLUSION: We are satisfied this internal control objective has been met.

O. DIGITAL AND DATA COMPLIANCE

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective O. See "Sources and references" at the end of this report.

Internal audit requirement

The authority complied with laws, regulations and proper practices relating to digital and data compliance.

Audit findings

Evidence examined: accessibility statement; privacy policy; IT and email policy; data audit; ICO registration; minutes.

Email

The council has a council owned domain for its email. clerk@westhorsley-pc.gov.uk; each councillor has a westhorsley-pc.gov.uk address (councillors page).

Website accessibility

The accessibility statement refers to WCAG 2.2 AA and describes the site as "partially compliant", listing six non-compliances. It was prepared and last reviewed in October 2025 and records that the website was last tested in October 2025 by Vision ICT Ltd.

The council is moving to a new website, and accessibility testing will be repeated when it goes live.

IT policy

The IT and Email Policy was first adopted on 21 October 2025 (minute 25/188(c)) and records review on 20 October 2026, with the next review in October 2027. It is based on the NALC template.

Data protection

The council is registered with the Information Commissioner's Office (reference Z3489646, expiring 9 April 2027) and paid the annual fee of £47.00 by direct debit on 14 April 2026.

The privacy policy was reviewed and approved by full council on 21 July 2026.

A data audit dated February 2026, in a tabular format suitable for a council of this size, was approved on 17 February 2026 (minute 26/034).

CONCLUSION: We are satisfied this internal control objective has been met

P. TRUSTEESHIP

Source: Annual Governance and Accountability Return 2026/27, Annual Internal Audit Report, internal control objective P. See "Sources and references" at the end of this report.

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

Evidence examined: Charity Commission register; fixed asset register; nominal ledger; minutes.

Trusteeship

The fixed asset register records that the council holds the Village Hall and land as custodian trustee under a conveyance of 13 March 1922 and a declaration of trust of 12 March 1962, and that the charity is regulated by a Charity Commission scheme sealed on 28 January 1997.

West Horsley Village Hall (charity 305137) is managed by its own trustees, including Cllr King as Chair. The council pays an annual grant to the Village Hall (£9,000, minute 26/195(f) of 20 October 2026). The council also holds the Akerman Bequest in a separate Lloyds Bequest account (£11,690.07 at 31 March 2026), with an earmarked reserve of £11,720.00 at 30 September 2026 to which interest is credited.

The council confirmed that it is custodian trustee only and not the sole managing trustee of the charity.

CONCLUSION: We are satisfied this internal control objective has been met.

Should you have any queries, please contact me directly on mark@mulberrylas.co.uk.

Yours sincerely



Mark Mulberry
On behalf of Mulberry Local Authority Services Ltd

Appendix: Basis of the internal audit

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Where we have provided other support to the council, a separate individual will be assigned as the internal auditor to maintain that independence.

The primary purpose of internal audit is to assess and report to the authority on the effectiveness of its financial systems and other internal controls, including the operational procedures that support its activities.

The internal audit function involves testing and evaluating whether the authority's internal control framework is both adequate and functioning effectively. Internal audit reports should be made available to all Members, providing a basis for informed decision making when considering the authority's approval of the Annual Governance Statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry Local Authority Services Ltd, who has over 25 years' experience in the financial sector with the last 15 years specialising in local government.

In accordance with paragraphs 4.9 to 4.11 inclusive of the SAPPP Practitioners' Guide, we confirm that your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

We further confirm that Mulberry Local Authority Services Ltd, as experienced sector specialist internal auditors, is competent to complete the internal audit process.

We remind the council of the requirements of paragraph 4.11 of the SAPPP Practitioners' Guide requiring councils to review the independence of the appointed internal auditor annually.

Engagement letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2026/27 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk.

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

We assessed the inherent risk of error or misstatement within the council's financial systems as low because the Clerk is qualified, there is no history of qualified external audit reports, and there is evidence of hierarchical review. Our testing combined walk-through tests of the key controls with tests of a sample of transactions back

to supporting documents and bank statements. The samples, and the periods they cover, are stated in each section. Where a control weakness was identified, we extended the sample.

This approach is designed to confirm that key controls operated effectively throughout the period under review. It does not provide assurance over every transaction.

Sources and references

The internal control objectives quoted in this report are taken from the Annual Internal Audit Report in the AGAR. The legislation and guidance relied on are listed below. Links were correct at the date of this report.

Document	Relied on for	Public source
Annual Governance and Accountability Return (AGAR) 2026/27, Form 3	The internal control objectives A to P and the Annual Governance Statement assertions	Issued to each authority by its appointed external auditor. The council's completed AGAR is published on its own website.
Practitioners' Guide 2026/27 (Smaller Authorities Proper Practices Panel)	Proper practices for governance and accounts	nalc.gov.uk
Accounts and Audit Regulations 2015 (SI 2015/234)	Internal audit, review of internal control, exercise of public rights, publication of the AGAR	legislation.gov.uk/uksi/2015/234
Local Government Act 1972	Declarations of acceptance of office (s.83), delegation (s.101), section 137, meetings and summons (Schedule 12)	legislation.gov.uk/ukpga/1972/70
Local Government (Electronic Communications) (England) Order 2015 (SI 2015/5)	Consent to receive the summons in electronic form	legislation.gov.uk/uksi/2015/5
Public Bodies (Admission to Meetings) Act 1960	Public notice of meetings	legislation.gov.uk/ukpga/Eliz2/8-9/67
Localism Act 2011, section 29	Publication of the register of members' interests	legislation.gov.uk/ukpga/2011/20/section/29
Openness of Local Government Bodies Regulations 2014 (SI 2014/2095)	Records of decisions taken by officers	legislation.gov.uk/uksi/2014/2095
Freedom of Information Act 2000, section 19	Publication scheme	legislation.gov.uk/ukpga/2000/36/section/19
Transparency Code for Smaller Authorities	Mandatory publication where turnover does not exceed £25,000	gov.uk/government/publications/transparency-code-for-smaller-authorities
Smaller Authorities (Transparency Requirements) (England) Regulations 2015 (SI 2015/494)	Makes the Transparency Code for Smaller Authorities mandatory	legislation.gov.uk/uksi/2015/494
Local Government Transparency Code 2015	Mandatory publication where turnover exceeds £200,000	gov.uk/government/publications/local-government-transparency-code-2015
Procurement Act 2023	Procurement thresholds and notices	legislation.gov.uk/ukpga/2023/54
VAT Notice 749: Local authorities and similar bodies	VAT recovery under section 33	gov.uk/guidance/local-authorities-and-similar-bodies-notice-749
Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (SI 2018/952)	Website accessibility	legislation.gov.uk/uksi/2018/952
Web Content Accessibility Guidelines (WCAG) 2.2	Accessibility standard	w3.org/TR/WCAG22